

# ***Headquarters U.S. Air Force***

---

***Turning Dollars & Desires into Dominant Aerospace Power!***



**DFAS Business Rules**

**1 Mar 01**

**U.S. AIR FORCE**

---



U.S. AIR FORCE

# Topics

---

- **DPPS**
- **Where we are today**
- **Rules to be finalized**
- **CIN Structure**
- **AQC Position**



# Defense Procurement

U.S. AIR FORCE

**Defense System  
(DPPS)**

**Eliminate Unmatched Disbursements and Negative Unliquidated Obligations**

**"Single Point of Data Entry"**

**Move ahead with systems and technologies already on-hand**

**MRM #2, Moving to a Paper-free Contracting Process by January 1, 2000**

**Reengineer Contract Closeout and DD 250 Material Inspection and Receiving Report policies and procedures**

**DRIDs #32 and #33**

**DCMA and DFAS co-chair an "end-to-end" procurement process review for the future shared data environment**

**DRID #47, End-to-End Procurement Process, December 9, 1998**

**DCMA and DFAS co-chair Working Group with the services to transition payment from MOCAS to DPPS and DCD**

**DRID #53, Reconciliation of Contracts in MOCAS, 23 Mar 2000**

***Build a roadmap for a DOD-wide electronic procurement environment! Provide seamless data exchange end-to-end among the process partners!***

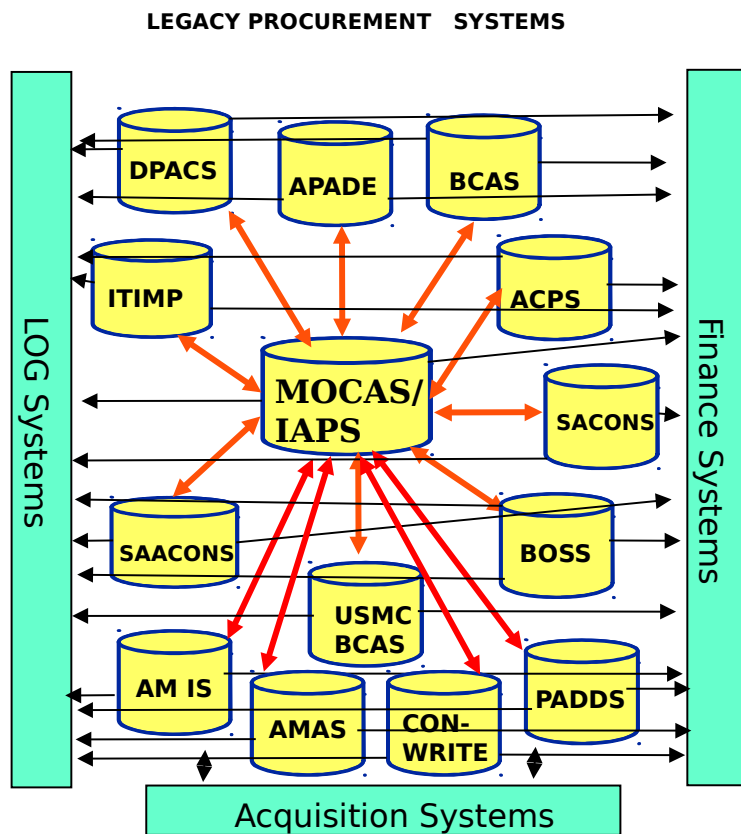
***Turning Dollars & Desires into Dominant Aerospace***



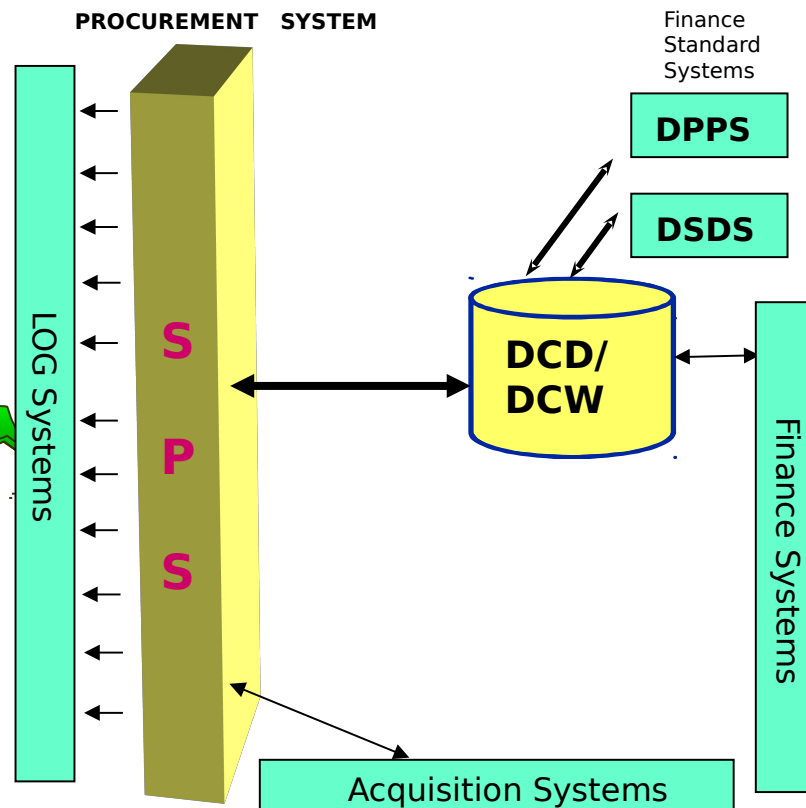
U.S. AIR FORCE

# The Vision

## Past



## Future



43,000 Users at 1,100 Sites

Turning Dollars & Desires into Dominant Aerospace



**U.S. AIR FORCE**

# Where We Are Today

## **\*Tentative Agreement**

- ☒ **Deletion of Rules 6-7,10-11,16-22, 25 & 27**
- ☒ **Central Contractor Registration (Rule 1)**
- Commitment Identification Number (Rule 2,3,5 & 9)**
- ☒ **Funds certified prior to award (Rule 4)**
- ☒ **Inspection/Acceptance activities identified (Rule 8)**
- ☒ **Comply with DFARS 204 (Rule 9)**
- ☒ **CLIN, currency, and unit of measure can't be changed following payment (Rule 12)**
- Single remit to address (Rule 13)**
- ☒ **No lump sum modifications (Rule 14)**
- ☒ **Include CLINs for Freight and Taxes (Rule 15)**
- ☒ **Use of DD250 authorized as invoice (Rule 23)**
- ☒ **Payment instructions or prorated payment (Rule 24)**
- ☒ **Single DSSN (Rule 26)**
- ☒ **DPPS- Official Accounting Record for Posting (Rule 28)**

**\*Agreement based on DFAS accepting rule 12 language and changes to exempt assistance agreements. Also have tentative agreement for lump sum settlements if we can establish both positive and negative CLINs**

**09/11/ *Turning Dollars & Desires into Dominant Aerospace***



U.S. AIR FORCE

---

# **Business Rule 1**

## **Central Contractor Registration (CCR)**

**Vendors that will do business with the DoD will become registered in the Central Contractor Registration (CCR) unless exempted by the DFARS to provide a single source of information. Vendors, who are not otherwise required to be registered in the CCR, must provide EFT/Check remittance information to DFAS for input into CEFT, to enable payment in accordance with the Debt Collection Improvement Act**



U.S. AIR FORCE

## **Business Rule 2**

# **Commitment Identification Number**

---

**Commitment accounting will be required. A commitment will be recorded in the accounting system prior to recording the obligation. The Commitment Identification Number (CIN) (e.g., Purchase Request, Purchase Requisition Number, etc.) is a unique number associated with a specific Line of Accounting (LOA) used to record and track a commitment in the accounting system. It may be transmitted as a single number or as a number plus a suffix, not to exceed 30 characters in length.**



# **Business Rule 3**

## **Commitment Identification Number (CIN)**

**U.S. AIR FORCE**

---

**The CIN must be cited on the contract at the CLIN/SLIN/ELIN/ level with associated obligation amounts**





U.S. AIR FORCE

---

## **Business Rule 4**

### **Funds certified prior to award**

**The process of executing a legal, binding agreement obligating funds shall not be taken until funds are certified as available, unless otherwise authorized by law**



U.S. AIR FORCE

# Business Rule 5

## Commitment Identification Number

---

**Obligations shall be recorded in the DCD at CLIN (SLIN/ELIN) level and mapped back to the purchase requisition line item level or the commitment identification number (CIN) or summarized by the funding source at the PR level as designated by the applicable funds manager**



U.S. AIR FORCE

## **Business Rule 8**

### **Inspection/Acceptance activities identi**

---

**The activities responsible for inspection and acceptance must be designated in the contract; the designated activities are responsible for reporting inspection and acceptance**



U.S. AIR FORCE

## **Business Rule 9 DFARS 204/CIN**

---

**A CLIN, SLIN, ELIN/SELIN to include informational contract sub-line items for non-severable items, shall relate to one Line of Accounting (LOA). There may be more than one purchase requisition or commitment identification number (CIN) related to the same LOA. But there can never be more than one LOA associated with a single CIN. Each CIN will have an associated dollar amount. CLIN/SLIN/ELIN/SELIN, Contract ACRN, CIN, and obligated amount will be captured as discrete data elements and passed to the DCD.**



U.S. AIR FORCE

## Business Rule 12

No changes to CLIN, currency, and unit of measure

---

**The CLIN's number, currency, unit of measure cannot be changed following payment (to include financing payments) against a CLIN. Currency means the type of currency, i.e. British pounds versus US dollars. Payment is defined as an entitlement sent to the DCD. If a change is required after payment, a new CLIN is required and the remaining balance on the original CLIN must be deobligated.**



U.S. AIR FORCE

# **Business Rule 13**

## **Single remit to address**

---

**Delivery Orders will be treated as individual contracts in the Defense Finance and Accounting Service (DFAS) Corporate Database (DCD)/Defense Procurement Payment System (DPPS). DPPS will submit the payment based on remittance information obtained from the Central Contractor Registration (CCR). There are exemptions to registration in the CCR as stated in the DFARS. For exemptions to registration and in the event of a Notice Of Assignment (NOA), the information for the remittance data will be included in Schedule/Section G of the contract by the contracting officer. There will be only one remit to per contract/delivery order**



U.S. AIR FORCE

# Business Rule 14

## No lump sum modifications

---

**All contract modifications that adjust price and obligation must cite specific CLIN/SLIN/ELIN. Any adjustments to price and obligation amounts will be CLIN specific, determined by the Contracting Officer. Lump sum adjustments will not be allowed. CLINs cannot have a negative unit price or negative extended value. DPPS will require a CLIN and an associated dollar amount to be associated with every entitlement. All entitlement data, receipt data and payment request to DPPS will flow through the DCD and the DCD edits/validations will require a CLIN to pass to the DPPS**



U.S. AIR FORCE

# Business Rule 15

## Include CLINs for Freight and Taxes

---

**Miscellaneous charges are defined as miscellaneous charges reimbursable to the vendor and include items such as freight and taxes. They may be unfunded or unpriced at time of award but will be modified to include funding and pricing information prior to submission of invoice. All miscellaneous charges will have a CLIN, dollar amount, Accounting Classification Reference Number (ACRN), Line of Accounting (LOA) and CIN. Unit of measure (lot), quantity, unit price and extended price will be captured at the CLIN level. Miscellaneous charges, with the exception of transportation, may be grouped into one CLIN, provided charges are funded with the same LOA. If needed, a request for additional funds will be required. Miscellaneous charges will not be paid until funds have been established.**





U.S. AIR FORCE

# **Business Rule 23**

## **Use of DD250 authorized as invoice**

---

**An acceptance request functioning as an invoice and receiving report accepted by the responsible Government Official results in an accepted payment request being sent to DFAS; thereby eliminating the need for a separate invoice document to be sent in addition to the acceptance document**



U.S. AIR FORCE

## Business Rule 24

### Payment instructions or prorated pa

---

**Contracting Officer approved non-FMS financing progress payments will be prorated for firm fixed price items on the contract. All other line items on the contract will require payment instructions from the contracting officer. In absence of payment instructions, proration will be made across available unliquidated obligations. Contracting Officer approved non-FMS financing progress payments will be prorated for firm fixed price items on the contract. All other line items on the contract will require payment instructions from the contracting officer. In absence of payment instructions, proration will be made across available unliquidated obligations**



U.S. AIR FORCE

# Business Rule 26

## Single DSSN

---

**There will be a new single disbursing station symbol number (DSSN) for all DoD Contract Pay. The new DSSN will be issued from the Army network. SRD1 will produce the SF1219 and the DFAS Corporate Database (DCD) will produce a consolidated Statement of Transactions (SOT) for transmission to Treasury. The current DSSNs that support the vendor pay operations today will continue to be used until those legacy systems migrate to DPPS. There will be new DODAAC payment office codes established for the Defense Procurement Payment System (DPPS)**



U.S. AIR FORCE

# **Business Rule 28**

## **DPPS Official Record for Posting**

---

**The detail record for obligations, accruals, disbursements residing in the DCD/DPPS for contract vendor pay is considered to be the official record for posting to the accounting system. All accounting adjustments against these records, with the exception of commitment, must be accomplished in the DCD with subsequent transmission to applicable accounting system**



# Business Rule 29 - Added

U.S. AIR FORCE

---

**The CIN must be cited on Cooperative Agreements and Grants with associated obligation amounts.**



# Additional Rules - Appendix B

U.S. AIR FORCE

---

- **Obligations will be recorded using the basic amount. If the accrued expenditure exceeds the ULO due to an authorized quantity variance, the DCD will compute and obligate the authorized variance and report the obligation adjustment to the supporting accounting system.**
- **For non-DCMA administered contracts the excess funds will be automatically deobligated. For DCMA contracts the excess funds will be deobligated based upon receipt of an EDI 567 transaction from the SPS. If the contract has to be reopened, funds will automatically be reobligated up to the amount that was previously deobligated provided the commitment funds are available.**
- **Replacement of canceled funds will require a contract modification (EDI 860) and will require the applicable CIN, line item number and ACRN/LOA.**
- **Local clauses, payment instructions, and notice of assignments.**



U.S. AIR FORCE

# Commitment Identification

## ~~Number (CIN)~~

- **Assumes compliance with DFARS 204**
  - **Each contract line item shall reference a single accounting classification citation except for a non-severable deliverable**
- **CIN Structure Discussion Ongoing**
  - **AQC Position-- Implement at PR level**
    - **Provides flexibility in contracting process**
    - **Tracking and managing at PR line item level increases workload**
    - **Benefits from tracking at the PR line item level**



U.S. AIR FORCE

---

# Business Rules Game Plan

- **Mar 13 -- Finalize Service Level Agreement**
- **Apr 16 -- Executive Steering Group Meeting**





**U.S. AIR FORCE**

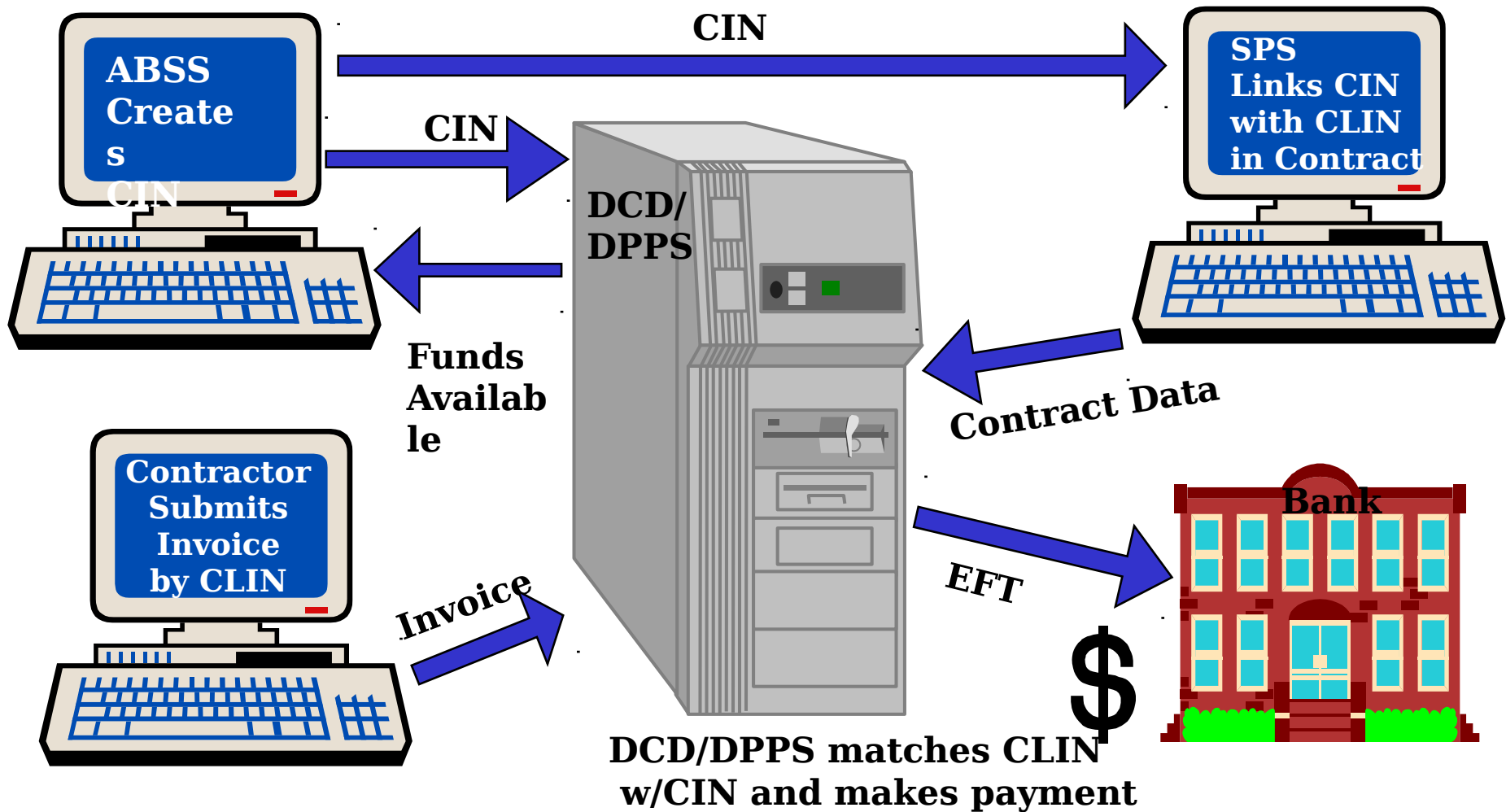
---

# **BACK-UP**



U.S. AIR FORCE

# E2E Process With CIN



# CIN STRUCTURE

*Approach 1: Money  
is tracked to PR*



**SYSTEMS:**  
**ABSS /D203?**

**1  
PR  
(2 line  
items)**

PR: FD2040015000  
LINE ITEM: 0001  
ACRN: AA \$800  
**CIN: FD2040015000AA**

PR: FD2040015001  
LINE ITEM: 0002  
ACRN: AA \$1200  
**CIN: FD2040015000AA**

**Line Items do  
not alter CIN**



**SYSTEMS:**  
**ABSS /D203?**

**2  
PR'S  
(same  
fund  
cite)**

PR: FD2040015000  
LINE ITEM: 0001  
ACRN: AA \$800  
**CIN: FD2040015000**

PR: FD2040015001  
LINE ITEM: 0001  
ACRN: AA \$1200  
**CIN: FD2040015001AA**

**PR# alters  
CIN**



**SYSTEMS:**  
**ABSS /D203?**

**1  
PR  
(diff  
fund  
cite)**

PR: FD2040015000  
LINE ITEM: 0001  
ACRN: AA \$800  
**CIN: FD2040015000AA**

PR: FD2040015000  
LINE ITEM: 0002  
ACRN: AB \$1200  
**CIN: FD2040015000AB**

**Fund Cite  
alters CIN**

# CIN STRUCTURE

*Approach 2: Money  
is tracked to PR Line Item*



**SYSTEMS:  
ABSS /D203?**

**1  
PR  
(2 line  
items)**

PR: FD2040015000  
LINE ITEM: 0001  
ACRN: AA \$800  
**CIN: FD20400150000001**

PR: FD2040015000  
LINE ITEM: 0002  
ACRN: AA \$1200  
**CIN:  
FD2040015000000200AA**

**Line Items do  
alter CIN**



**SYSTEMS:  
ABSS /D203?**

**2  
PR'S  
(same  
fund  
cite)**

PR: FD2040015666  
LINE ITEM: 0001  
ACRN: AA \$800  
**CIN: FD2040015000000100AA**

PR: FD2040015001  
LINE ITEM: 0001  
ACRN: AA \$1200  
**CIN:  
FD2040015001000100AA**

**PR# alters  
CIN**



**SYSTEMS:  
ABSS /D203?**

**1  
PR  
(diff  
fund  
cite)**

PR: FD2040015000  
LINE ITEM: 0001  
ACRN: AA \$800  
**CIN: FD2040015000000100AA**

PR: FD2040015000  
LINE ITEM: 0002  
ACRN: AB \$1200  
**CIN:  
FD2040015000000200AB**

**Fund Cite  
alters CIN**